

1 E. MARTIN ESTRADA
United States Attorney
2 MACK E. JENKINS (Cal. Bar No. 242101)
Assistant United States Attorney
3 Chief, Criminal Division
CASSIE D. PALMER (Cal. Bar No. 268383)
4 SUSAN S. HAR (Cal. Bar No. 301924)
BRIAN R. FAERSTEIN (Cal. Bar No. 274850)
5 Assistant United States Attorneys
Public Corruption & Civil Rights Section
6 1500 United States Courthouse
312 North Spring Street
7 Los Angeles, California 90012
Telephone: (213) 894-2091/0363/3289/3819
8 Facsimile: (213) 894-6436
E-mail: Mack.Jenkins@usdoj.gov
9 Cassie.Palmer@usdoj.gov
Susan.Har@usdoj.gov
10 Brian.Faerstein@usdoj.gov

11 Attorneys for Plaintiff
12 UNITED STATES OF AMERICA

13 UNITED STATES DISTRICT COURT

14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 v.

18 JOSE LUIS HUIZAR,

19 Defendant.

No. CR 20-326-JFW-1

GOVERNMENT'S SENTENCING MEMORANDUM
RE: DEFENDANT JOSE HUIZAR

Hearing Date: January 26, 2024

Hearing Time: 8:00 a.m.

Location: Courtroom of the
Hon. John F. Walter

20
21 Plaintiff United States of America, by and through its counsel
22 of record, the United States Attorney for the Central District of
23 California and Assistant United States Attorneys Mack E. Jenkins,
24 Cassie D. Palmer, Susan S. Har, and Brian R. Faerstein, hereby files
25 its sentencing memorandum.

26 //

27 //

28

This sentencing memorandum is based upon the attached memorandum of points and authorities, the files and records in this case, and such further evidence and argument as the Court may permit.

Dated: December 28, 2023

Respectfully submitted,

E. MARTIN ESTRADA
United States Attorney

/s/

MACK E. JENKINS
CASSIE D. PALMER
SUSAN S. HAR
BRIAN R. FAERSTEIN
Assistant United States Attorneys

Attorneys for Plaintiff
UNITED STATES OF AMERICA

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
TABLE OF AUTHORITIES.....	iii
MEMORANDUM OF POINTS AND AUTHORITIES.....	1
I. INTRODUCTION.....	1
II. STATEMENT OF FACTS.....	4
A. L.A. Grand Hotel Bribery Scheme.....	5
B. Luxe Hotel Bribery Scheme.....	8
C. Mateo Project Bribery Scheme.....	8
D. Businessperson A Scheme.....	9
E. David Lee/940 Hill Bribery Scheme.....	10
F. Additional Pay-to-Play Conduct.....	11
G. Tax Evasion and Obstruction.....	11
III. THE PLEA AGREEMENT.....	12
IV. THE GUIDELINES CALCULATION.....	13
V. THE GOVERNMENT'S SENTENCING RECOMMENDATION.....	15
A. The Nature and Circumstances of the Offense.....	16
1. The Breadth and Scope of Defendant's Conduct.....	16
2. Defendant's Corrupt Solicitation of Others.....	18
3. Damage to the City of Los Angeles That Defendant Was Entrusted to Serve.....	18
B. History and Characteristics of Defendant.....	20
C. General and Specific Deterrence.....	23
D. Need to Reflect Seriousness of Offense, Promote Respect for the Law, and Provide Just Punishment.....	25
E. Avoidance of Sentencing Disparities.....	26
VI. FINE.....	27
VII. RESTITUTION.....	28

TABLE OF CONTENTS (CONTINUED)

<u>DESCRIPTION</u>	<u>PAGE</u>
A. Payment to the City of Los Angeles.....	28
B. Payment to the IRS.....	32
VIII. CONCLUSION.....	33

TABLE OF AUTHORITIES**DESCRIPTION****PAGE****CASES**

United States v. Spano, 411 F. Supp. 2d 923, 940 (N.D. Ill. 2006).....	24
United States v. Martin, 455 F.3d 1227 (11th Cir. 2006).....	24
United States v. Morgan, 635 F. App'x 423 (10th Cir. 2015).....	26
United States v. Musgrave, 761 F.3d 602 (6th Cir. 2014).....	24
United States v. Spano, 411 F. Supp. 2d 923 (N.D. Ill. 2006).....	24
United States v. Stefonek, 179 F.3d 1030 (7th Cir. 1999).....	25

REGULATIONS

28 U.S.C. § 994(d).....	22
U.S.S.G. §§ 5H1.2.....	22

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 **I. INTRODUCTION**

3 Former longtime Los Angeles City Councilmember defendant Jose
4 Huizar was a powerful career politician who swore an oath to defend
5 the Constitution, faithfully discharge the duties of his office, and
6 serve the interests of his constituents. Instead, time and time
7 again, defendant violated that oath and duty, choosing instead to
8 place his own lust for money and power above the rights and interests
9 of the people he was elected to serve. Through an astoundingly
10 brazen and long-running RICO conspiracy that defendant led, he
11 corrupted himself and other powerful developers and city officials at
12 the public's expense. Paramount for the racketeering enterprise
13 defendant orchestrated were three key goals: financial enrichment,
14 maintain political power, and avoid law enforcement.

15 For years, defendant operated his pay-to-play scheme in the City
16 of Los Angeles (the "City") to monetize his public position and
17 leverage his political clout for over \$1.5 million dollars in cash
18 bribes, gambling chips, luxury trips, political contributions,
19 prostitutes, extravagant meals, services, concerts, and other gifts.
20 If anyone dared rebuff his call to pay bribes, he punished them and
21 their City projects, threatening developers with indefinitely delayed
22 projects and financial peril. To secure his political position,
23 defendant--with the help of his co-conspirators--extracted campaign
24 contributions from lobbyists and developers and even obtained a
25 \$600,000 bribe payment, disguised in the form of a sham loan that he
26 never intended to pay back, from one China-based billionaire
27 developer. Defendant covered his tracks with layers of concealment,
28 including by shamelessly exploiting his elderly mother, brother, and

1 wife to launder his illicit proceeds. Finally, when defendant felt
2 the walls of the instant federal investigation closing in on him, he
3 made the calculated decision to obstruct justice by tampering with
4 witnesses and lying to government prosecutors and agents.

5 In the wake of his criminal activity, defendant has helped gut
6 the public's confidence in the integrity of its local government --
7 and beyond--and eroded a sense of fair play therein. As this Court
8 aptly observed during the sentencing of co-defendant Shen Zhen New
9 World I, LLC:

10 Political corruption is a unique and infectious crime with
11 rippling and enormous consequences to society. Keeping
12 political corruption in check has been a matter of public
13 urgency throughout our nation's history. The crushing
weight of corruption on the integrity of every democratic
element of our government has been and will continue to be
a constant concern.

14 (5/12/23 Hr'g Tr. at 16.) The government wholeheartedly agrees and
15 believes a significant sentence in this case is crucial to punish
16 defendant and send the appropriate message of accountability,
17 justice, and deterrence.

18 At the same time, there is reason to not lose all hope in this
19 defendant. Before he lost his way along a path that found him far
20 afield from his original path, defendant overcame serious obstacles
21 in pursuit of noble callings: education at the highest levels, a
22 career in public service, and family. Although it took substantial
23 time (and resources) for defendant to reach a place of acceptance,
24 defendant deserves credit for his uniquely expansive acceptance of
25 responsibility, most notably his 42-page factual basis, stipulation
26 to a comprehensive Guidelines calculation, and, at least in his sworn
27
28

1 and entered plea agreement, commitment to pay full restitution.¹ And
 2 since being charged, defendant has taken small but meaningful steps
 3 to refocus on what matters, including caring for his children and his
 4 mental health. On balance, a 13-year term of imprisonment -- the
 5 high end of the parties' stipulated sentencing range pursuant to the
 6 plea agreement -- will serve as just punishment, promote respect for
 7 the law, and send a strong message of deterrence, while also taking
 8 into account defendant's history, characteristics, and potential for
 9 future rehabilitation.

10 Accordingly, the government respectfully recommends the
 11 following sentence: (1) **a 13-year (156-month)** term of imprisonment;
 12 (2) a **three-year term** of supervised release; (3) an order to pay
 13 **\$1,019,174** in restitution; (4) a high-end fine of **\$350,000**; and (5) a
 14 special assessment of **\$200**.

17 ¹ Plea Agreement ¶¶ 3.i, 16 ("Defendant agrees to make full
 18 restitution to the victims of the offenses to which defendant is
 19 pleading guilty. In particular, defendant agrees that, in return for
 20 the USAO's compliance with its obligations under this agreement, the
 21 Court may order restitution to the City of Los Angeles
 22 [discussing possible restitution amounts]"). On December 27, 2023,
 23 the day before the instant position was due, counsel for defendant
 24 informed government counsel that, after multiple attempts by the
 25 parties to meet and confer on the issue, "It doesn't look like we'll
 26 be able to reach an agreement [on a restitution amount] pre-filing.
 27 For the reasons we described in our prior phone calls, we don't
 28 believe there is a victim that suffered a financial loss to whom
 restitution would be owed under the MVRA. But if there were, we don't
 see how that conclusion could be limited only to Mr. Huizar as
 opposed to, e.g., Mr. Esparza or SZNW. We recognize that Mr. Esparza
 is yet to be sentenced, but the tenor of the phone call suggests to
 us that the government is seeking to treat Mr. Huizar uniquely with
 respect to restitution." Given this late hour email the day before
 both parties' sentencing papers are due and because defendant Huizar
 has not yet provided any other relevant information on an agreeable
 amount despite government requests, it is presently unclear what, if
 any, restitution defendant will now pay, notwithstanding his written
 commitment in his plea agreement.

1 **II. STATEMENT OF FACTS²**

2 From 2005 to 2020, defendant was the Councilmember for Council
3 District 14 ("CD-14") and owed a fiduciary duty to the City and to
4 his constituents. Defendant was also the Chair of the Planning and
5 Land Use Management ("PLUM") Committee, which afforded defendant
6 immense power and discretion to streamline or stall all major
7 development projects not just in his district but all across the
8 City. Starting no later than 2013, defendant was also the leader of
9 the Council District 14 Enterprise ("CD-14 Enterprise"), which was an
10 ongoing criminal organization that continuously operated to achieve
11 three shared goals: (1) obtain financial benefits through bribery,
12 extortion, honest services fraud, and other illicit means; (2)
13 maintain and advance the enterprise's political power, including by
14 holding onto the CD-14 Council seat for defendant and, later, for his
15 selected successor, his wife ("Richelle Rios"); and (3) avoid
16 detection through various acts of concealment and obstructing
17 justice.

18 Defendant and other members and associates of the CD-14
19 Enterprise operated a pay-to-play scheme in the City, by which they
20 sought financial benefits in exchange for official acts. While the
21 scheme itself was at times sophisticated, its overall message was
22 simple and well-known: Pay defendant what he wants, and he will use
23 his uniquely powerful elected office to reward the development
24 project favorably; deny defendant's demands, and he will use the same
25 powers of his office to punish. Each step of the development project
26

27
28 ² Unless indicated otherwise, all facts are based on the Factual
Basis of the Plea Agreement (Dkt. No. 910-1) and Presentence
Investigation Report ("PSR") (Dkt. No. 1213).

1 was another opportunity for defendant to wield his authority and
2 influence and to extract more benefits. Better yet, defendant would
3 embed his allies, including consultants and lobbyists, within
4 projects to facilitate even more benefits with less resistance and
5 scrutiny. For developers seeking to build in the City of Los
6 Angeles, defendant was king, and he and his cronies made sure
7 developers got that message.

8 As uncovered by this investigation, defendant facilitated at
9 least five bribery schemes and engaged in multiple other pay-to-play
10 acts. Through each scheme, defendant willfully and unapologetically
11 engaged in brazen criminal acts to further the goals of the CD-14
12 Enterprise, which, as its leader, aligned with his personal agenda.
13 With each scheme, defendant grew more emboldened and ultimately
14 obtained (or sought to obtain) nearly \$2 million in benefits,
15 effectively selling out his constituents and trampling on their
16 rights to his honest services.

17 **A. L.A. Grand Hotel Bribery Scheme**

18 The L.A. Grand Hotel bribery scheme arose out of a more than
19 five-year-long corrupt relationship between defendant and Chairman
20 Wei Huang ("Huang") billionaire owner of the China-based Shen Zhen
21 New World Group ("SZNW"), facilitated in significant part by co-
22 defendant Raymond Chan ("Chan"). Defendant and Huang were a
23 convenient and corrupt pair: Huang was massively wealthy with
24 expensive tastes and ambitions and, most importantly, willing to pay
25 bribes to achieve those ambitions; defendant was a massively powerful
26 public official with expensive tastes and avarice demands and, most
27 importantly, willing to sell the official acts Huang needed for his
28 future massive transformation of the L.A. Grand Hotel into one of the

1 largest skyscrapers in the United States. For years, defendant
2 luxuriated in Huang's lavish bribes: all-expense-paid trips to Las
3 Vegas, complete with a sprawling hotel villa with private pools,
4 every imaginable amenity, nearly \$200,000 in gambling chips, black
5 car and limo services, extravagant food and alcohol, and prostitutes.
6 These trips often meant defendant paid little mind to not only his
7 Councilmember duties but also, as a father to four young children,
8 his significant family obligations. (See, e.g., 11/1/22 Trial (SZNW
9 Trial) Tr. at 764-65.) Defendant also received from Huang a
10 similarly extravagant all-expense-paid international trip to
11 Australia, including business class airfare worth over \$10,000 and
12 gambling chips worth 32,800 in Australian dollars.

13 Because of defendant's desire to avoid detection, he engaged in
14 additional racketeering activities to conceal these bribes, by
15 laundering the cash from the gambling chips using his elderly mother,
16 brother, and wife, and structuring his exchange transactions to evade
17 reporting requirements. Even still, years later, when the FBI
18 executed search warrants at defendant's home, he had approximately
19 \$129,000 in cash hidden in a closet, which was made up of corrupt
20 payments from gambling money from Huang-funded trips and illicit cash
21 from Businessperson A, who was providing defendant money and other
22 gifts to further his own business interests in the City. Throughout
23 this scheme, defendant engaged in other acts of concealment, like
24 giving fake names when taking paid-for private jets and leaving
25 behind thousands of dollars in chips after refusing to complete a
26 Politically Exposed Person form seeking to document the source of his
27 gambling funds when identified by Palazzo security. (See, e.g.,
28 11/1/22 Trial (SZNW Trial) Tr. at 805-10.)

1 Because of defendant's corrupt relationship with Huang, he was
2 able to cling to power and fend off challengers when his political
3 career was in peril. In 2013, a former staffer sued defendant for
4 sexual harassment, threatening defendant's upcoming re-election for
5 the CD-14 Council seat. (See, e.g., 11/1/22 Trial (SZNW Trial) Tr.
6 at 827-29.) Defendant, with Chan's critical help, turned to Huang
7 for the money he needed to settle the lawsuit; Huang agreed. Like
8 with all the bribes defendant received, he needed to conceal Huang as
9 the source of the funds. Defendant and Huang, with Chan's
10 assistance, concocted a convoluted plan whereby Huang provided
11 \$600,000 in collateral, funneled through intermediary entities to
12 disguise the source of funds, that allowed defendant to take out a
13 \$570,000 loan from East West Bank to help quietly settle the sexual
14 harassment lawsuit and win re-election in 2015. When defendant
15 ultimately defaulted on the loan -- whose principal amount defendant
16 never intended to pay back (11/1/22 Trial (SZNW Trial) Tr. at 838-39)
17 -- the collateral Huang had provided was used to settle defendant's
18 outstanding \$575,269 balance on the loan, further enriching defendant
19 in that amount. In effect, as was always the parties' intent, Huang
20 paid to settle the sexual harassment suit against defendant to ensure
21 defendant would remain in power for Huang's benefit.

22 Indeed, consistent with the pay-to-play scheme, Huang provided
23 these lucrative benefits to defendant in exchange for official acts
24 benefitting the approval of the redevelopment of his L.A. Grand
25 Hotel. Among other things, defendant introduced and signed a City
26 resolution honoring Huang and agreed to present motions, vote, take
27 action in the PLUM Committee, and take other official acts for the
28 redevelopment of the L.A. Grand Hotel.

1 **B. Luxe Hotel Bribery Scheme**

2 Defendant's bribery scheme with Hazens and the Luxe Hotel
3 project operated in a similar pay-to-play fashion. With co-
4 defendants Chan and George Chiang's help, defendant developed a
5 corrupt relationship with Fuer Yuan and his development company
6 Hazens. Because Chan and Chiang were also members of the CD-14
7 Enterprise, they understood and facilitated the pay-to-play scheme to
8 keep defendant happy. Hazens showered various benefits onto
9 defendant, including concert tickets, campaign contributions and
10 commitments, paid expenses for a trip to China, and even alcohol for
11 a party. Defendant solicited and accepted these benefits in exchange
12 for his multiple official acts benefiting the approval process for
13 the redevelopment of the Luxe Hotel.

14 Defendant also used Hazens to obtain fake consulting fees for
15 his associate to funnel benefits indirectly to himself. Through yet
16 another convoluted scheme designed to evade detection, defendant
17 arranged for Chiang to prepare sham real estate reports, which
18 defendant then passed onto his associate, who provided them to Yuan's
19 relative's company in exchange for a total of \$66,000.

20 **C. Mateo Project Bribery Scheme**

21 From the developer of the Mateo project, Carmel Partners,
22 defendant sought over \$150,000 in campaign contributions starting in
23 2016. By this time, defendant had forged his plan to place Rios in
24 the CD-14 Council seat in 2020 after his final term expired, and he
25 used the pay-to-play scheme to extract campaign contributions that
26 would allow him to maintain power through her.

27 The Mateo Project bribery scheme operated like clockwork. Each
28 time the project required a motion, a hearing, or a vote, defendant

1 solicited campaign contributions for Rios' campaign from the
2 developer. Each time, the developer agreed and caused different
3 entities to transmit the payments. In exchange, defendant performed
4 the official act at issue benefitting the Mateo project. At least
5 once, defendant stalled a vote on the project in the PLUM Committee
6 because he was still negotiating illicit benefits with Carmel
7 Partners. In addition to the campaign contributions, defendant also
8 requested and received opposition research and discussed a potential
9 job as a consultant for Carmel Partners to commence after defendant
10 left the City.

11 The votes defendant took for the Mateo Project highlight how
12 willingly he betrayed the rights of the City and the community in
13 order to serve himself, his rapacious greed, and his criminal
14 enterprise. Voting against a union appeal, defendant approved
15 modifications to the approval package that significantly reduced the
16 project's affordable housing requirements -- hurting the homeless to
17 benefit Carmel's bottom line. Specifically, defendant's vote had the
18 effect of both decreasing the ratio of affordable housing units and
19 eliminating access entirely for the lowest-income individuals --
20 contrary to the stringent requirements recommended by a City body
21 earlier in the approval process. Carmel Partners, on the other hand,
22 benefited by way of \$14 million in net savings.

23 **D. Businessperson A Scheme**

24 Starting in 2016, defendant developed a corrupt relationship
25 with Businessperson A. In exchange for cash, hotels, prostitutes,
26 meals, and other gifts totaling nearly \$100,000, defendant wielded
27 his power as the CD-14 Councilmember to push developers--with pending
28 projects before him--to use Businessperson A's services. In a

1 particularly blatant move, defendant accepted \$15,000 in cash from
2 Businessperson A (then acting under the direction of the FBI) in a
3 restaurant, which defendant concealed with a napkin.

4 Defendant also took an official act for Businessperson A:
5 defendant solicited and obtained a \$25,000 contribution for Rios'
6 campaign in exchange for a City resolution, signed by the entire City
7 Council, purporting to recognize Businessperson A for his
8 contributions to the City.

9 **E. David Lee/940 Hill Bribery Scheme**

10 Finally, in one of defendant's most brazen schemes, he agreed to
11 accept a \$500,000 cash bribe for himself and two co-conspirators in
12 exchange for taking an official act to benefit the \$170 million 940
13 Hill project.

14 While the 940 Hill project was progressing through the City
15 approval process, it hit a roadblock when a labor organization filed
16 an appeal against the project. As a result of the appeal,
17 development on the 940 Hill Project was delayed indefinitely, which
18 meant not just increased costs for the developer but also threatened
19 the project's future. (CR 1027 (LEE PSR) ¶¶ 36, 37.) Indeed,
20 opposition from unions to development projects in Los Angeles could
21 result in the death of a project altogether. (Id. ¶ 37.) Facing
22 such uncertainty, wealthy DTLA real estate magnate David Lee turned
23 to defendant, who agreed to assist with the appeal but for a price:
24 \$500,000 in cash to resolve the appeal, which defendant would split
25 with two other co-conspirators facilitating the negotiations. Lee
26 agreed and paid the cash--\$200,000 of which was to go directly into
27 defendant's pockets. As promised, defendant used his official
28 position to influence the labor organization to drop its appeal, by

1 vowing to vote against the union when the appeal vote came before
2 him.

3 By this point, defendant was keenly aware that the FBI was
4 circling, and so he instructed his right-hand man and de facto
5 corruption coordinator, George Esparza, to hold and hide the money on
6 his behalf. Defendant delayed collecting the money from Esparza in
7 the hopes that the FBI would not discover the cash, and the two
8 discussed dates for when Esparza would hand off the money to
9 defendant.³

10 **F. Additional Pay-to-Play Conduct**

11 Defendant's pay-to-play conduct extended beyond the five schemes
12 described above. Defendant pressured other developers with projects
13 in his district to contribute to Rios' campaign in exchange for
14 favorable treatment (and to avoid adverse consequences) on their
15 projects. When he was not soliciting contributions for Rios,
16 defendant would seek contributions to his own campaign and
17 officeholder accounts or for the high school he had attended and
18 where Rios was employed as a fundraiser. Defendant also pressured
19 developers to hire his associates as consultants, thereby stacking
20 the projects with his loyalists and benefitting those loyalists with
21 consulting fees.

22 **G. Tax Evasion and Obstruction**

23 In addition to the acts of concealment described above,
24 defendant sought to conceal his criminal activity by omitting all of
25

26 ³ Despite initially having qualms about taking possession of the
27 cash while the federal investigation was heating up, defendant later
28 doggedly pursued the cash from Esparza, including texting and calling
and showing up unannounced at Esparza's grandfather's home. The FBI
later recovered \$250,000 of the cash paid by Lee; it has since been
administratively forfeited by the FBI.

1 the illicit financial benefits he obtained vis-à-vis the pay-to-play
2 scheme on his Form 700s or tax returns from 2014-2017. With respect
3 to the 2017 tax return (the basis for Count Forty-One), defendant
4 falsely omitted approximately \$60,000 in cash that he accepted from
5 Businessperson A as purported retainer fees to help Businessperson
6 A's business interests.

7 Defendant also sought to tamper with two separate witnesses. In
8 2017, after Esparza told defendant that he had interviewed with the
9 FBI, defendant asked for details of that interview and then
10 instructed Esparza, his subordinate, not tell anyone that Esparza had
11 disclosed the content of his interview to defendant. Similarly,
12 defendant instructed Businessperson A not to disclose incriminating
13 information to the FBI, including information about the prostitutes
14 and parties Businessperson A funded for defendant.

15 In April 2019, when defendant was interviewed by AUSAs and FBI
16 agents, he falsely claimed that he told Esparza he did not want the
17 cash payment from Lee and denied discussing plans to ever retrieve
18 the money from Esparza; however, uncontroverted evidence, including
19 multiple recordings of defendant, proved defendant was insistent on
20 getting his corrupt cut from Lee.

21 **III. THE PLEA AGREEMENT**

22 On January 19, 2023, the parties entered into a plea agreement
23 pursuant to Federal Rule of Criminal Procedure 11(c)(1)(c). (Dkt.
24 No. 910.) On January 20, defendant pled guilty to Racketeer
25 Influenced and Corrupt Organization Conspiracy (Count One) and Tax
26 Evasion (Count Forty-One) of the First Superseding Indictment. (Dkt.
27 No. 912.)

1 Under the plea agreement, defendant agreed, among other things,
2 to recommend a term of imprisonment no less than nine years, or 108
3 months. (Dkt. No. 910 ¶ 3.h.) He admitted to a 42-page factual
4 basis that described in detail defendant's extensive criminal acts.
5 He stipulated to a comprehensive calculation of the Guidelines,
6 including five different enhancements, that yielded a total offense
7 level of 39; he further agreed not to seek other adjustments or
8 departures under the Guidelines. (Dkt. No. 910 ¶ 20.)

9 Additionally, defendant agreed to cooperate with the Internal
10 Revenue Service ("IRS") in determining his tax liability for 2017,
11 including by paying all taxes, penalties, and interest assessed by
12 the IRS. (Id. ¶ 5.) He agreed to forfeit \$129,000 in cash and not
13 contest any administrative forfeiture proceedings. (Id. ¶ 6.) And
14 he agreed to make "full restitution to the victims of the offenses to
15 which defendant is pleading guilty," including to the City of Los
16 Angeles as ordered by the Court. (Id. ¶¶ 3.i, 16.)

17 In turn, the government agreed (among other things) to recommend
18 a custodial sentence no greater than 13 years, or 156 months,
19 provided defendant complies with all terms of his agreement. (Id.
20 ¶ 7.e.)

21 **IV. THE GUIDELINES CALCULATION**

22 On December 15, 2023, the United States Probation Office
23 ("USPO") issued the PSR and a disclosed recommendation letter. (Dkt.
24 Nos. 1212, 1213.) The PSR found that the following sentencing
25 Guidelines factors applied:

26 ///

Base Offense Level:	14	U.S.S.G. §§ 2E1.1(a)(2); 2C1.1(a)(1)
More than 1 Bribe:	+2	U.S.S.G. § 2C1.1(b)(1)
Bribe Value >\$1,500,000:	+16	U.S.S.G. §§ 2C1.1(b)(2); 2B1.1(b)(1)(I)
Elected Official:	+4	U.S.S.G. § 2C1.1(b)(3)
Organizer/Leader	+4	U.S.S.G. § 3B1.1(a)
Obstruction	+2	U.S.S.G. § 3C1.1
Acceptance of Responsibility	-3	U.S.S.G. § 3E1.1
Total Offense Level:	39	

(PSR §§ 179-198.)

The PSR found that defendant had no criminal history points, yielding a criminal history category of I. (*Id.* § 203.)⁴ Based on the foregoing, the USPO initially calculated defendant's resulting advisory Guidelines range as 262-327 months. (*Id.* § 257.) Because of the 25-year statutory maximum, USPO adjusted the Guidelines range down to **262-300 months**. (*Id.* (citing U.S.S.G. § 5G1.2(b)).)

The USPO's letter recommended a 240-month or 20-year sentence of imprisonment, which reflects a one-level downward variance. (Dkt. No. 1212 at 2, 7-8.) The letter described the seriousness of defendant's offense, including that he "displayed a pervasive pattern of corrupt activities and practices among developers and investors over a number of years." (*Id.* at 7.) In mitigation, the letter also recognized defendant's "lifelong productive life," "close family ties," lack of "prior law enforcement contacts or history of violence," and health issues. (*Id.*)

⁴ Because defendant received an aggravating role enhancement under § 3B1.1, he is not eligible for the zero-point offender adjustment. See U.S.S.G. § 4C1.1(a)(10).

1 The government concurs with the PSR's calculation of a 262-300-
2 month Guidelines range prior to any variance. As explained below,
3 however, the government respectfully requests a 5-level Booker⁵
4 variance based on defendant's history and characteristics and other
5 mitigating factors. The government also asks the Court provide
6 defendant the benefit of his bargain of his plea agreement -- with
7 respect to the stipulated sentencing range - on which the parties
8 expended significant resources negotiating numerous discussions and
9 many months. And the government maintains its recommended sentence
10 is supported by the individual facts of this case. If the Court
11 adopts the government's recommended 5-level variance, the adjusted
12 total offense level will be 34, resulting in a Guidelines range of
13 **151-188 months**. The government recommends a sentence near the low-
14 end of that adjusted range; that is, **156 months' imprisonment**.

15 **V. THE GOVERNMENT'S SENTENCING RECOMMENDATION**

16 The government's recommended sentence of 156 months'
17 imprisonment is sufficient, but not greater than necessary, to
18 achieve the goals of sentencing. A 156-month term of imprisonment is
19 a lengthy and serious sentence that accounts for the egregiousness of
20 defendant's crimes, furthers the need for deterrence, promotes
21 respect for the law, and provides just punishment. At the same time,
22 the recommended sentence appropriately accounts for mitigating facts
23 and circumstances in defendant's personal history and
24 characteristics.

25
26
27
28 ⁵ United States v. Booker, 543 U.S. 220 (2005).

1 **A. The Nature and Circumstances of the Offense**

2 1. The Breadth and Scope of Defendant's Conduct

3 Defendant's criminal conduct is undeniably aggravating by every
4 metric. Indeed, it can be difficult to fathom the breadth and scale
5 of defendant's corruption, which was fueled by his repeatedly and
6 successfully commodifying his elected office for profit and power for
7 a wide range of willing bribe payors. Defendant's actions were an
8 incredible breach of trust that escalated over time.

9 For over half a decade, defendant shamelessly and eagerly
10 exploited his position as the powerful CD-14 Councilmember and PLUM
11 Committee Chair, betraying and deterring honest developers, other
12 City officials, the people of Los Angeles, and even his family. His
13 motive was naked greed--he cashed in on the public trust for his own
14 personal wealth, extravagant experiences, and political power and
15 advancement. After choosing the path of corruption, defendant was
16 all in, and he never looked back. His crime was not a one-off bribe
17 or even a series of bribes. He devised a complex criminal scheme
18 that was purposefully structured around systematically abusing his
19 public office. He set up the machinery of the CD-14 Enterprise,
20 setting its goals and dictating how it would run. He recruited,
21 strong-armed, and trained others to be members and associates of the
22 enterprise to facilitate financial benefits and corrupt acts. He
23 fashioned various means of concealment, ranging from the pedestrian
24 (fake names on private jets) to the sophisticated (routing a \$600,000
25 bribe payment through an overseas shell company and shrouding it as
26 collateral for a loan) to the predictable (tax evasion).

27 When faced with his impending final term in office, defendant
28 refused to yield the CD-14 seat to someone who finally might honestly

1 serve the interests of the public. Instead, he plotted to maintain
2 power (and his access to continued illicit financial benefits) by
3 redirecting focus of the pay-to-play scheme to extract campaign
4 contributions to install his wife, whom he believed he could control,
5 in his valuable Council seat. Defendant also looked for ways to
6 parlay his political position and clout to slide into a profitable
7 private career as a consultant that would continue to lead and
8 operate the CD-14 Enterprise from the other side.

9 There were dozens of moments that could have served as a belated
10 wake-up call to defendant, reminding him that his illicit conduct
11 could bear serious consequences legally and personally. When
12 defendant was flagged by security at the Palazzo casino; when he saw
13 the state of his low-income mother's home as he picked up another
14 check to launder his bribes; or every time he blew off spending time
15 with his children to run off to Las Vegas at Huang's beckoning; or
16 even when law enforcement began closing in on him, including
17 interviewing him multiple times with counsel present--each served as
18 an opportunity for defendant to reflect on his actions and question
19 whether this criminal life was truly the one he wished live. He
20 never did, and instead resolutely pursued his corrupt plans and
21 doggedly abused his position at every turn to advantage himself to
22 the direct and immediate detriment of the public he served.

23 Even when the time came and defendant was caught, he did not
24 exhibit remorse for what he had done. He doubled down and acted out
25 of self-preservation, tampering with witnesses to cover his tracks
26 and lying to the FBI and the USAO. Had it not been for the
27 government's disruption, it is clear that defendant would have kept
28 his criminal enterprise running, long after he left public office.

1 2. Defendant's Corrupt Solicitation of Others

2 Corruption is an infectious cancer and defendant's criminal plan
3 required others to join in. He was active in that regard, training
4 and recruiting other City officials, including his own young and
5 impressionable staffer (who had once been defendant's intern and
6 considered defendant father figure), and private lobbyists,
7 consultants, and developers to join, corruptly, the enterprise's
8 causes. To date, there have been convictions of eight other
9 defendants in this case.⁶ While every other co-defendant and
10 unindicted co-conspirator in this case is responsible for their own
11 actions, there can be no question that defendant played an integral
12 role in facilitating their corrupt decisions and incentivizing them.
13 Defendant's classification as an organizer and leader of criminal
14 activity thus is well-deserved and reflective of his paramount
15 position in the enterprise and conspiracy. See U.S.S.G. § 3B1.1.

16 3. Damage to the City of Los Angeles That Defendant Was
17 Entrusted to Serve

18 It is axiomatic, and has been repeatedly recognized by courts,
19 academics, and policy makers, that public confidence in government
20 suffers with every instance of corruption:

21 Government corruption breeds cynicism and mistrust of
22 elected officials. It causes the public to disengage from
23 the democratic process because . . . the public begins to
24 think of politics as 'only for the insiders.' Thus
corruption has the potential to shred the delicate fabric
of democracy by making the average citizen lose respect and
trust in elected officials and give up any hope of
participating in government through legitimate channels.

25
26
27 ⁶ The convicted defendants are David Lee, 940 Hill, LLC, Shen
Zhen New World I, LLC, Morris Goldman (Case No. CR 20-369-JFW),
28 George Chiang (Case No. 20-203-JFW), George Esparza (Case No. CR 20-
208-JFW), Justin Kim (Case No. CR 20-154-JFW), and Salvador Huizar
(Case No. CR 22-471).

1 United States v. Ganim, 2006 WL 1210984, at *5 (D. Conn. May 5,
2 2006). Defendant's egregious crimes were no exception; they further
3 contributed to the erosion of the public's confidence in government
4 and government officials and in the fairness of the system. Public
5 corruption is not a victimless crime. The victim is our democratic
6 system of government, the integrity of which is further weakened with
7 every revelation that yet another public official's influence and
8 official acts are for sale. Defendant's brazen and extensive
9 corruption has further degraded an already cynical American public's
10 trust in the fairness and integrity of government. Here, defendant's
11 crimes were doubly pernicious because of the way he traded his votes
12 and official influence for campaign contributions, infecting the
13 election system with illicit proceeds and crowding out First
14 Amendment-protected votes in favor of those purchased by the highest
15 bidder.

16 The harm defendant inflicted on the City was not merely abstract
17 or academic. Defendant was an incredibly influential public official
18 with real power. As the Councilmember for CD-14, as well as the
19 Chair of PLUM, he was the elected local representative for
20 approximately a quarter of a million people.⁷ For years, those
21 constituents were deprived of their right to the honest services of
22 the official they had elected to serve them and their interests above
23 his own. Because defendant's district included downtown Los Angeles,
24 he had an outsized influence on shaping its makeup and securing
25 public benefits packages to support labor unions, create access to
26 affordable housing units, and positively impact the environment. But

27
28 ⁷ <https://controllerdata.lacity.org/dataset/Population-by-Council-Districts/2ybs-mbdp>.

1 for a campaign contribution here, or cash in a bag there, defendant
2 happily sold those public benefits down the L.A. River and chose to
3 benefit himself instead.

4 The operation of the pay-to-play scheme also harmed honest
5 developers who played by the rules. Developers who refused to
6 acquiesce to defendant's demands were swiftly punished, resulting in
7 their projects--and all their attendant public benefits--being held in
8 abeyance or being killed off. Defendant deprived the rights of
9 honest businesspeople and made decisions on their projects based on
10 the payment of bribes (or lack thereof) instead of on merit, which
11 further harmed the City and its citizens.

12 The nature and circumstances of defendant's offenses reflect not
13 just significantly aggravating conduct but tangible and generational
14 public harm that urges the lengthy 13-year custodial sentence
15 recommended by the government.

16 **B. History and Characteristics of Defendant**

17 Notwithstanding his egregious criminal offenses, defendant's
18 history and characteristics present some mitigation and, importantly,
19 hope for rehabilitation and redemption.

20 A first and important step in defendant's redemption was his
21 fulsome admission of guilt. While it took quite some time, defendant
22 eventually reached a place of acceptance for his criminal actions.
23 In addition to saving the government time and resources and serving
24 judicial economy in avoiding a multi-month trial, defendant admitted
25 to a robust 42-page factual basis that described at length his
26 criminal conduct. Defendant and his counsel did not raise frivolous
27 and time-consuming objections to specific facts that were supported
28 by evidence and known to defendant. This fulsome factual basis was

1 an important statement, from defendant's own mouth, to the public
2 about what actually happened and what defendant actually did, thereby
3 providing finality on this topic for the public in a way that a
4 disputed corruption trial often does not. The thorough factual
5 basis, a comprehensive Guidelines calculation, including five
6 enhancements that collectively added 28-levels to the total offense
7 level. Defendant additionally agreed to forgo other adjustments or
8 departures, preserving only his ability to argue a Booker variance
9 within the allotted 108- to 156-month range. This level of
10 acceptance warrants favorable consideration beyond the typical
11 Guidelines adjustment.

12 Aside from his acceptance, the PSR describes other meaningful
13 and productive steps defendant taken since his arrest, consistent
14 with this theme of acceptance and towards rehabilitation and repair.
15 Defendant now serves as the primary caretaker for his youngest child,
16 about whom the government understands the defense has provided the
17 Court with information, and who is sure to further suffer with
18 defendant's impending incarceration; defendant also has three other
19 children. (PSR ¶¶ 218-219.) Defendant also has reportedly re-
20 devoted himself to his mother and cares for her by running errands,
21 acting as her translator, and assisting with doctor appointments and
22 medical decisions. (Id. ¶ 209.) He has proactively sought out
23 mental health treatment to learn healthier ways of coping. (Id.
24 ¶¶ 225-227.) He has confronted other personal demons, including by
25 stopping gambling and marijuana use, and he is making efforts
26 (admittedly, a struggle) to accept and control his alcohol abuse--
27 none of which defendant was required to do. (Id. ¶ 224, 228-30.)
28 And defendant maintains hope: he aspires to work with a public

1 interest organization to aid others in navigating the health
2 insurance system and obtaining health care benefits. (Id. ¶ 237.)

3 Growing up, defendant knew little of privilege. After being
4 born in a rural Mexican village, defendant immigrated with his family
5 to Los Angeles. (PSR ¶ 211.) Defendant grew up in a gang-infested
6 neighborhood marred by violence but remarkably avoided participation
7 or conscription. (Id. ¶ 212.) From the time he was a child,
8 defendant juggled both school and work, including laboring in
9 strawberry fields and later taking odd jobs recycling metal,
10 delivering newspapers, working at shops, and shining shoes. (Id.
11 ¶ 213.) Despite the dearth of available opportunities, defendant
12 applied himself and even paid for his own education. (Id. ¶ 213.)
13 He successfully completed high school, then college at U.C. Berkeley,
14 before getting both a master's degree at Princeton and juris
15 doctorate at UCLA. (Id. ¶¶ 232-35.) With his story, extensive
16 academic pedigree, and personal drive, it is clear that defendant
17 could have chosen various lucrative business pursuits; he chose none
18 of them. Instead, he committed himself to a career in public
19 service, starting on the Los Angeles Unified School District Board
20 before becoming a Councilmember. (Id. ¶¶ 238-239.)

21 In describing these facts, the government ascribes no value on
22 defendant's socioeconomic status, education, or vocational skills.
23 See 28 U.S.C. § 994(d) (requiring sentencing guidelines to be
24 "entirely neutral as to ... socioeconomic status of offenders);
25 U.S.S.G. §§ 5H1.2 ("[e]ducation and vocational skills are not
26 ordinarily relevant in determining whether a departure is
27 warranted"); 5H1.5 ("[e]mployment record is not ordinarily relevant
28 in determining whether a departure is warranted"); 5H1.10. But

1 defendant's demonstrated history of overcoming significant obstacles,
2 serving as a productive member of society, and furthering the public
3 good--at one point in his past life--is laudable and speaks to his
4 potential for reform and salvaging his ability for positive public
5 impact after a significant term of custody.

6 The government submits that defendant's history,
7 characteristics, and circumstances support a five-level variance.

8 C. General and Specific Deterrence

9 As is evident from a wide, and widely reported, swath of
10 misconduct by public officials that has been exposed in numerous
11 federal cases charged in this district, public corruption in the Los
12 Angeles area is of paramount concern. The endemic nature of public
13 corruption in a particular area is a factor that weighs heavily in
14 favor of a substantial custodial sentence. See United States v.
15 Hill, 645 F.3d 900, 911 (7th Cir. 2011) (finding that "widespread
16 corruption in East St. Louis and the need to deter future public
17 corruption" were appropriately considered in support of sentence).

18 The strong need for both general and specific deterrence in this
19 case support the government's recommended sentence. Public
20 corruption cases such as this one demand strong general deterrence.

21 As one court noted:

22 ***Unlike some criminal justice issues, the crime of public***
23 ***corruption can be deterred by significant penalties that***
24 ***hold all offenders properly accountable.*** The only way to
25 protect the public from the ongoing problem of public
26 corruption and to promote respect for the rule of law is to
27 impose strict penalties on all defendants who engage in
such conduct, many of whom have specialized legal training
or experiences. Public corruption demoralizes and unfairly
stigmatizes the dedicated work of honest public servants.
It undermines the essential confidence in our democracy and
must be deterred if our country and district is ever to
achieve the point where the rule of law applies to all –

1 not only to the average citizen, but to all elected and
2 appointed officials.

3 United States v. Spano, 411 F. Supp. 2d 923, 940 (N.D. Ill. 2006),
4 *affirmed*, 477 F.3d 517 (7th Cir. 2006) (emphasis added). General
5 deterrence is a particularly effective tool in corruption and other
6 white-collar cases, as white-collar criminals often premeditate their
7 crimes and engage in a cost-benefit analysis. See, e.g., United
8 States v. Martin, 455 F.3d 1227, 1240 (11th Cir. 2006) ("Because
9 economic and fraud based crimes are more rational, cool, and
10 calculated than sudden crimes of passion or opportunity, these crimes
11 are prime candidates for general deterrence. **Defendants in white**
12 **collar crimes often calculate the financial gain and risk of loss,**
13 **and white collar crime therefore can be affected and reduced with**
14 **serious punishment.**") (emphasis added). That was certainly the case
15 here, where defendant carefully built up a criminal enterprise to
16 blatantly leverage his official position to extract lucrative
17 financial benefits--and believed all the while he would not be
18 caught.

19 A 13-year sentence is appropriate here and will aid in achieving
20 the critical need for general deterrence, while also rejecting the
21 notion of a two-tier system of justice--a more flexible and lenient
22 tier for well-known or well-heeled white-collar defendants, and a
23 more rigid, severe, and guidelines-oriented tier for "other"
24 criminals. See United States v. Musgrave, 761 F.3d 602, 609 (6th
25 Cir. 2014) ("[O]ne of the central reasons for creating the sentencing
26 guidelines was to ensure stiffer penalties for white-collar crimes
27 and to eliminate disparities between white-collar sentences and
28 sentences for other crimes." (citation omitted)). That dichotomy is

1 inconsistent with the Constitution, with fundamental fairness, and
2 with the statutory goals of sentencing, and it has been repeatedly
3 repudiated by the courts. See United States v. Stefonek, 179 F.3d
4 1030, 1038 (7th Cir. 1999) (White-collar criminals are "not to be
5 treated more leniently than members of the 'criminal class'"). A 13-
6 year sentence in this closely watched national case will thus serve
7 an important public purpose.

8 This case also reflects a strong need for specific deterrence.
9 For years, defendant acted with impunity and believed he would get
10 away with his crimes. He acted willfully and strategically, and even
11 made plans to continue his pay-to-play scheme after he left public
12 office. Even when the writing was on the wall, defendant repeatedly
13 sought to obstruct justice by concealing his illicit proceeds,
14 tampering with witnesses and brazenly lying to the FBI. Nevertheless,
15 as explained above in assessing defendant's history and
16 characteristics, the government recognizes defendant has the capacity
17 for a future positive impact given the life and career he built
18 before losing his way. Still, a strong custodial sentence is needed
19 to deter defendant from veering off course again into future criminal
20 activity, particularly since any work defendant performs in the
21 future, even in the private sector will likely draw on his past
22 government work and place him in industries adjacent to government.

23 **D. Need to Reflect Seriousness of Offense, Promote Respect for**
24 **the Law, and Provide Just Punishment**

25 The public has suffered as a result of defendant's self-serving
26 greed, and it is important that the public observe the imposition of
27 an appropriate sentence reflecting the seriousness of his admitted
28 crimes. Even a cursory Internet search yields a slew of articles

1 opining on the public's dwindling trust--and increasing skepticism--
 2 in its local public institutions and government as a whole. A strong
 3 sentence is necessary to reflect the serious nature of defendant's
 4 crimes, punish defendant's conduct, promote respect for the law, and
 5 restore public faith in the system. As one court has observed: "***The***
 6 ***judicial response to demonstrated corruption by the political elite***
 7 ***and the lapse of duty, honor, and integrity it represents is as***
 8 ***important as the corruption itself.***" United States v. Morgan, 635 F.
 9 App'x 423, 447 (10th Cir. 2015) (emphasis added). Here, the
 10 appropriate judicial response to defendant's brazen and self-serving
 11 criminal conduct is a substantial custodial sentence of 13 years.

12 **E. Avoidance of Sentencing Disparities**

13 While defendant is entitled to some leniency for the reasons
 14 described herein, any sentence less than 13 years would lead to
 15 sentencing disparities and place defendant on equal footing with less
 16 culpable defendants. The Guidelines range of 262-300 months is
 17 appropriately high because it captures the multiple aggravating
 18 circumstances warranting a stiffer sentence. Many run-of-the-mill
 19 corruption cases involve low- or mid-level government employees who
 20 took a bribe or two to augment their modest public salaries. There
 21 are a smattering of cases involving public officials who lie or even
 22 obstruct justice to conceal a damaging fact. But defendant is in his
 23 own class, having led and operated a RICO enterprise as a high-
 24 ranking public official in City government for seven years, devised a
 25 criminal marketplace rooted in trading official acts and abusing his
 26 elected office for bribes, obtained dozens of bribes collectively
 27 worth over \$1.5 million dollars, actually received financial benefits
 28

1 worth over \$1 million dollars, and obstructed justice in multiple
2 ways.

3 It is for good reason that defendant is often seen as the face
4 of corruption in Los Angeles--even as news of the latest public
5 official misdeed comes to light on a seemingly weekly basis.
6 Defendant is in a league of his own because the breadth, longevity,
7 and egregiousness of his criminal acts are in a league of their own.

8 At the same time, the government's proposed sentence is not too
9 lenient as compared to other similarly situated defendants across
10 this country; indeed, as expected to be set forth in defendant's
11 sentencing papers - many public officials and white collar defendants
12 are regularly sentenced significantly below the Guidelines, sometimes
13 even probation, and double digit sentences for a public official
14 indicted while in office (like defendant here) can be rare. As to
15 this specific case, the only other individual defendant to be
16 sentenced - developer David Lee - received a sentence (6 years) that
17 represents under half of what the government recommends here. Lee
18 refused to plead guilty or accept responsibility; he was the
19 architect of the \$500,000 cash bribe to Huizar; he had been
20 previously raided by the FBI who seized millions of dollars in cash
21 from the same business he used to bribe Huizar;⁸ and he bragged of
22 his exploits of outsmarting the government and potentially fleeing
23 prosecution.

24 **VI. FINE**

25 Based on the government's recommended five-level variance and
26 resulting total offense level of 34, the fine range should be \$35,000
27

28 ⁸ The cash was later returned to Lee.

1 to \$350,000. U.S.S.G. § 5E1.2(c)(3). The PSR found that defendant
 2 has assets in his retirement account and personal checking account
 3 and a positive net worth, with an immediate ability to pay
 4 approximately \$175,000 at the time of sentencing.⁹ (PSR ¶¶ 242,
 5 254.)

6 The government recommends a high-end fine of \$350,000, in light
 7 of the serious nature, scope, and length of the offense conduct, the
 8 lucrative financial benefits defendant obtained through the criminal
 9 offense, the personal and greed-driven motivations for defendant's
 10 crime, and the USPO's supported finding that defendant has at least
 11 some ability to pay a meaningful amount.

12 **VII. RESTITUTION**

13 **A. Payment to the City of Los Angeles**

14 Pursuant to his plea agreement, defendant has agreed to "pay any
 15 restitution ordered by the Court" "pursuant to a schedule to be fixed
 16 by the Court." (Plea ¶¶ 3i, 21.) Specifically, defendant agreed to
 17 "make full restitution to the victims of the offenses to which
 18 defendant is pleading guilty." (Plea ¶ 16.) Defendant further agreed
 19 that "the Court may order restitution to the City of Los Angeles or
 20 any other victim" for losses suffered as a result of defendant's
 21 conduct. (Id.) The plea agreement also noted that the government
 22 believed the restitution amount to be not greater than \$1,857,679.
 23 (Id.; see also Factual Basis ¶ 192 ("[D]efendant HUIZAR obtained or
 24 sought to [] obtain, directly and indirectly, at least \$1,857,679 in
 25 bribe payments.").)

27
 28 ⁹ Although defendant claimed to owe \$600,000 to Huang, the PSR
 did not credit this purported loan as an allowable liability. (Id.
 ¶¶ 242, 252.)

1 As detailed herein, and as the government has repeatedly
2 observed throughout this case, defendant's conduct has caused
3 substantial harm to the public and to the City of Los Angeles. Both
4 the Supreme Court and the Ninth Circuit have recognized that a
5 restitution order is proper for this type of harm inflicted by public
6 servants who abuse their elected positions to enrich themselves.

7 The Ninth Circuit has directly spoken to this issue.
8 Specifically, United States v. Gaytan, 342 F.3d 1010 (9th Cir. 2003),
9 is on all fours with the facts here. There, defendant Gaytan and his
10 conduct was similar to Huizar in many material respects. Gaytan was
11 the mayor and councilmember for the City of Colton who accepted
12 bribes intended to influence his vote on land use issues. Id. at
13 1010-11. After Gaytan pled guilty to federal program bribery in
14 violation of 18 U.S.C. § 666, the district court imposed a
15 restitution order in the amount of the bribe money the Gaytan
16 received. Id. at 1011.

17 The Ninth Circuit affirmed. The Court held that the City of
18 Colton suffered an actual loss subject to restitution because it
19 "lost the honest service of a public servant whose vote was purchased
20 by developers[.]" Id. Citing United States v. Carter, 217 U.S. 286,
21 305-06 (1910), the Court reasoned that a public official was but an
22 "agent" to his "principal" (the City) and that the "larger interests
23 of public justice will not tolerate, under any circumstances, that a
24 public official shall retain any profit or advantage which he may
25 realize through the acquirement of an interest in conflict with his
26 fidelity as an agent." Id. Accordingly, a public official obtaining
27 such benefits "in violation of his duty" "must account to his
28 principal for all he has received." Id. In such cases, the City, as

1 the public official's employer, "suffers a loss in the amount of
2 secret profits accepted by its agent and is entitled to restitution
3 in that amount." Id. at 1012. Similarly, under California Labor
4 Code rules, an elected official is deemed an "employee" of the City,
5 and all that an employee acquires by virtue of his employment, except
6 his salary, "belongs to the employer, whether acquired lawfully or
7 unlawfully." Id. at 1012 n.3 (citing Cal. Lab. Code § 2860); see
8 also United States v. Gamma Tech Indus., Inc., 265 F.3d 917, 929 (9th
9 Cir. 2001) (affirming restitution order to defendant's employer in
10 the amount of secret kickbacks the defendant received from two
11 subcontractors).

12 Likewise here, the Court should impose a restitution order to
13 the City of Los Angeles in the amount of secret bribes that defendant
14 actually received. Because defendant received such benefits in
15 violation of his duty as the City's agent, he must account to his
16 employer for his ill-gotten gains, which rightfully belong to the
17 City under California agency law, consistent with Supreme Court and
18 Ninth Circuit precedent.

19 The government submits that the appropriate restitution amount
20 is **\$1,019,174**, which consists of the following:

21 ///

22

23

24

25

26

27

28

Scheme	Description	Amount
LA Grand Hotel Bribery Scheme	Gambling Chips (Factual Basis ¶ 10)	\$194,500
	Vegas Group Benefits Pro-Rated by 10 (Factual Basis ¶ 10)	\$111,793
	Sexual Harassment Lawsuit Settlement Money (Factual Basis ¶ 12)	\$575,269
	32,800 Australian Dollars of Gambling Chips (Based on 0.68 USD Conversion Rate in 2016) (Factual Basis ¶¶ 20, 185-188)	\$22,304
	Value of Roundtrip Flight to Australia (Factual Basis ¶¶ 20, 183)	\$10,980
Luxe Hotel Bribery Scheme	Katy Perry Concert Tickets (Factual Basis ¶ 37)	\$1,000
	China Trip Benefits (Factual Basis ¶¶ 52-53)	\$1,900
	The Weeknd Concert Tickets (Factual Basis ¶ 54)	\$1,572
	Alcohol for I. Huizar (Factual Basis ¶ 56)	\$1,000
	Kendrick Lamar Concert Tickets (Factual Basis ¶ 57)	\$1,670
Businessperson A Scheme	Cash, Hotels, Gifts Benefits (Factual Basis ¶ 105)	\$82,186
	Cash (Factual Basis ¶ 165)	\$15,000
	Total	\$1,019,174

The PSR concurs and recommends the same amount for the restitution order. (PSR ¶¶ 164, 271, 273.)

The foregoing reflects a conservative calculation of the financial benefits that defendant actually received by abusing his position as a City official. Because the group benefits for the Vegas trips under the LA Grand Hotel Bribery Scheme were shared, the government pro-rated the total by ten; that is, the calculation assumes there were ten participants per trip. That calculation inures to defendant's benefit because there were less than ten

1 participants for most of the trips, and defendant typically expensed
2 a higher proportion of the total charges to Wei Huang's account and
3 because Huizar was often the primary catalyst for Huang's self-
4 interested largesse. With respect to shared meals and golf expenses
5 paid for defendant by Businessperson A (totaling approximately
6 \$9,952), the government omitted these amounts in full.

7 The plea agreement also required defendant to forfeit without
8 contest \$129,000 in cash, consisting of cash from casino chips from
9 co-defendant Wei Huang and cash from Businessperson A, which was
10 seized from his home in November 2018. (Plea ¶ 6; Factual Basis
11 ¶ 25.) Defendant has complied with this specific aspect of the plea
12 agreement, and the government has already administratively forfeited
13 that sum.¹⁰ Per the plea agreement, the government (subject to
14 certain conditions) will submit a restoration request to the Money
15 Laundering and Asset Recovery Section of the Department of Justice
16 for the \$129,000 to be restored to the City of Los Angeles. (Plea
17 ¶ 6i.) If the request is granted by the Attorney General, this may
18 satisfy a part of the restitution order. (Id.)

19 **B. Payment to the IRS**

20 As part of his plea agreement, and in recognition of his guilty
21 plea to the Tax Evasion count, defendant also agreed to cooperate
22 with the Internal Revenue Service in the determination and payment of
23 defendant's tax liability for 2017. (Plea ¶ 5.) In the Factual
24 Basis, defendant admitted that he "willfully attempted to evade and
25 defeat income tax due and owing by him and his spouse to the United
26 States of America, for the calendar year 2017," by submitting a
27

28 ¹⁰ Accordingly, the government does not require an order of
forfeiture, including a forfeiture money judgment, from this Court.

1 "false and fraudulent" tax return that "omitted approximately \$60,000
2 cash that defendant [] accepted from Businessperson A as retainer
3 fees." (Factual Basis ¶ 197.) As a result of his understated income
4 for 2017, the IRS has calculated that defendant's balance due for
5 2017 is \$16,744, plus a fraud penalty of \$12,558 and interest
6 (estimated as of December 29, 2023) of \$9,283.21, for a total current
7 liability of \$38,585.21.¹¹ The plea agreement requires defendant,
8 among other things, to pay this amount at or before sentencing,
9 subject to any additional interest that will accumulate after
10 December 29, 2023. (Plea ¶ 5.a.) The government has provided to
11 counsel for defendant documentation prepared by the IRS reflecting
12 these calculations and which defendant (and his wife) will be
13 required to execute and provide to the IRS as part of closing out his
14 2017 tax year liabilities.

15 **VIII. CONCLUSION**

16 For the foregoing reasons, the government respectfully requests
17 that this Court impose the following sentence: (1) a 13-year (156-
18 month) term of imprisonment; (2) a three-year term of supervised
19 release; (3) an order to pay \$1,019,174 in restitution to the City of
20 Los Angeles (payable before the fine amount due); (4) a high-end fine
21 of \$350,000; (4) and (5) a special assessment of \$200.

22
23
24
25
26
27

28 ¹¹ Because he filed jointly with his wife, she also is
technically subject to this tax liability.